

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No.
)
 v.) Violation: Title 18, United States
) Code, Sections 2, 152, 157, 1341,
 PATRICK DEL MONICO) 1343, 1519, and 2314

COUNT ONE

Mail Fraud: Indeck

The SPECIAL MARCH 2007 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant PATRICK DEL MONICO ("Del Monico") was employed by Indeck Power Equipment Co. ("Indeck") as the Transportation Manager from approximately 1993 through 2003, and was responsible for the coordination of all freight shipments. Del Monico was employed by Demar Logistics, Inc. ("Demar") as a Sales Representative from in or about June 2005 through February 2006. Del Monico lived in Long Grove, Illinois.

b. Indeck was an Illinois corporation that sold and leased permanent and temporary power equipment, including large-scale, complex boiler systems, and other emergency power generation systems. Indeck's principal place of business was in Wheeling, Illinois.

c. A&R Leasing L.L.C. ("A&R") was an Illinois corporation that was affiliated with Indeck through common ownership. A&R leased vehicles and transportation equipment.

A&R's principal place of business was in Wheeling, Illinois.

d. Indeck Power Overseas, Ltd. ("Indeck Overseas") was an Illinois corporation that was affiliated with Indeck and A&R through common ownership. Indeck Overseas sold and leased power equipment internationally. Indeck Overseas's principal place of business was in Wheeling, Illinois. While working for Indeck, Del Monico also provided services to A&R and Indeck Overseas. (Indeck, A&R, and Indeck Overseas will generally be collectively referred to as "Indeck").

e. International Traffic Consultants, Inc. ("ITC") was an Illinois corporation set up and operated by Del Monico, which was purportedly in the business of interstate transportation of freight. ITC's principal place of business was in Long Grove, Illinois.

f. Demar was an Illinois corporation that specialized in warehouse storage and transportation logistics. Demar had its principal place of business in Carol Stream, Illinois. As a Sales Representative, Del Monico was to be paid commissions based on the amount of revenue generated through business obtained by Del Monico for Demar. Prior to Del Monico's obtaining any business for Demar, Demar paid Del Monico \$1000 a week, drawn against future commissions.

2. Beginning in or about February 1994 and continuing until in or about April 2003, in the Northern District of Illinois,

Eastern Division, and elsewhere,

PATRICK DEL MONICO,

defendant herein, along with others known and unknown to the grand jury, devised and intended to devise, and participated in, a scheme and artifice to defraud Indeck, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

The Scheme

3. It was part of the scheme that between approximately February 1994 and February 2003, Del Monico created fraudulent invoices for goods and services, using the names of Indeck's vendors on some of the phony invoices, and using fictitious names on others. Del Monico submitted those fraudulent invoices to Indeck for payment, causing Indeck to issue checks which Del Monico misappropriated and used for his own benefit. By using those phony invoices, Del Monico falsely represented that Indeck owed money to the named vendors for services rendered, when in fact Del Monico knew that no services had been performed and no monies were owed. This scheme resulted in a loss to Indeck of approximately \$1.2 million.

Fraudulent Invoices Submitted to Indeck

4. It was further part of the scheme that Del Monico fraudulently obtained funds from Indeck through the use of fake and

fraudulent invoices, and through the following means, among others:

a. Del Monico created numerous fraudulent invoices, falsely purporting to reflect work done for Indeck by dozens of vendors. In fact, the work reflected in the invoices was not done, and defendant merely created the fake invoices in order to fraudulently obtain funds from Indeck. Del Monico also created duplicate invoices, causing Indeck to pay the same bill twice, once to the vendor and once to Del Monico.

b. Del Monico submitted fraudulent invoices to Indeck's accounts payable department for payment, causing checks to be issued. The accounts payable department prepared the checks for delivery to the purported vendors, but Del Monico misappropriated the checks before they went to the vendor.

c. After obtaining those checks, Del Monico fraudulently endorsed the checks, or caused them to be fraudulently endorsed. Del Monico cashed certain checks and deposited other checks in bank accounts that he controlled. Del Monico also used checks to make payments on personal loans and credit card bills, including payment of a \$500,000 home equity loan.

Theft of Checks Issued by A&R to Talbert Manufacturing

5. It was further part of the scheme that Del Monico fraudulently obtained funds from A&R by misappropriating checks intended for Talbert Manufacturing, Inc. ("Talbert"), and then concealing that theft by submitting fake Talbert invoices to A&R,

and through the following means, among others:

a. **Check for \$23,833:** In or about August 2000, Del Monico ordered two trailers from Talbert, on behalf of A&R. Talbert delivered the trailers as agreed, and submitted invoices to A&R for the trailers and related equipment. In or about January 2001, A&R issued checks to pay the invoices. Del Monico then misappropriated one of the checks made payable to Talbert, in the amount of \$23,833, before Talbert received it. Del Monico used that check to pay down his home equity loan.

b. In order to cover up the theft of that check, Del Monico submitted to A&R a phony Talbert invoice for \$23,833, causing A&R to issue another check to Talbert in that amount, which was sent to Talbert.

c. **Payment for a Third Trailer:** In or about April 2001, Del Monico ordered a third trailer from Talbert on behalf of A&R. Talbert subsequently submitted an invoice to A&R for payment for the third trailer, and A&R issued a check in the amount of approximately \$40,000, payable to Talbert, to purchase the trailer. Del Monico misappropriated this check before Talbert received it, and used it to pay down his home equity loan.

d. In order to cover up the theft of that check, Del Monico - acting without A&R's knowledge or authorization - wrote a letter to Talbert and falsely represented that A&R had decided not to purchase the trailer. As a result, Talbert did not deliver the

third trailer that Indeck had ordered. Although Indeck had issued a check to pay for that trailer, Del Monico took the check. Thus, Talbert did not receive the check and Indeck did not receive the trailer.

e. **Payment for a Fourth Trailer:** In or about July 2001, Del Monico submitted to A&R another phony Talbert invoice, purportedly for a fourth trailer, causing A&R to issue two checks in payment, totalling approximately \$88,952. Del Monico misappropriated those checks before Talbert received them, and used that money to pay down his home equity loan.

Purchase of a Railway Car

6. It was further part of the scheme that Del Monico fraudulently obtained additional funds from A&R by submitting a fraudulent contract and invoice to A&R relating to the purported purchase of a railway car, and through the following means, among others:

a. Del Monico falsely represented to A&R that he had purchased a railroad flatcar for A&R, from Canadian Pacific Railway ("Canadian Pacific"), with an agreement to lease the railroad car back to them on a monthly basis. In fact, Del Monico knew that no such purchase had been made.

b. Del Monico presented a fraudulent equipment lease to A&R, which included the purported signature of an individual who was falsely identified as being the Vice President

of Business Development of Canadian Pacific. In fact, that person had not worked for Canadian Pacific in over two years, and Canadian Pacific had not agreed to enter into that equipment lease.

c. Del Monico submitted a fake invoice to A&R, thereby causing A&R to issue a check in the amount of \$50,000, made payable to Canadian Pacific as partial payment for the purchase of the flatcar. Del Monico misappropriated that check, and used it to pay down his home equity loan.

Del Monico's House

7. It was further part of the scheme that Del Monico fraudulently obtained additional funds from Indeck by submitting phony invoices to Indeck to obtain payment for work done on Del Monico's house, and through the following means, among others:

a. Del Monico submitted false invoices to the accounts payable department of Indeck for work that had been done on his house. The invoices contained false information indicating that work had been done for Indeck.

b. In or about the Fall of 2000, Pro/Craft Painting and Contracting, Inc. ("Pro/Craft") painted portions of the inside and outside of Del Monico's house. Pro/Craft billed Del Monico approximately \$17,209. Del Monico created phony invoices, which he submitted to Indeck, under the name of "Pro/Craft Contractors", with Pro/Craft's actual address, falsely showing services rendered to Indeck. The invoices created the false appearance that Pro/Craft

was a trucking company, and that Pro/Craft had performed freight hauling services for Indeck. Indeck issued and sent checks to Pro/Craft in payment of the fraudulent invoices, and those payments were credited to Del Monico's account.

Indeck's Property

8. It was further part of the scheme that Del Monico wrongfully took property from Indeck, without authorization, and fraudulently concealed that theft, through the following means, among others:

a. Del Monico took property from Indeck's offices and premises, without authority, and concealed that property from Indeck by storing the property in his home and other locations. That property included an oil painting worth thousands of dollars.

b. In or about February 1999, Del Monico misappropriated and sold a Bobcat loader tractor ("the Bobcat") that belonged to Indeck. Del Monico sold the Bobcat for approximately \$8,000 to another company and Del Monico kept the proceeds for himself.

c. In or about January 2002, after Indeck discovered the Bobcat was missing, Del Monico filed a false report with the Wheeling Police Department, stating that the Bobcat was missing, without disclosing that he had stolen and sold the Bobcat.

d. Del Monico also submitted a fraudulent insurance claim on behalf of Indeck, seeking reimbursement for the Bobcat,

without disclosing that he had stolen and sold the Bobcat.

9. It was further part of the scheme that Del Monico did misrepresent, conceal, hide, and caused to be misrepresented, concealed, and hidden acts done in furtherance of the scheme and the purposes of those acts.

10. On or about April 30, 2002, at Chicago, Illinois, in the Northern District of Illinois, Eastern Division,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme and attempting to do so, did knowingly cause an envelope to be delivered by mail according to the directions thereon, that envelope containing an A&R check, misappropriated by Del Monico, which was made payable to JT Mac Transportation, in the amount of approximately \$18,000, dated April 23, 2002, which envelope was addressed to a Post Office box, maintained by LaSalle Bank, in Chicago, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT TWO

Mail Fraud: Indeck

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about August 20, 2002, at Chicago, Illinois, in the Northern District of Illinois, Eastern Division,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme and attempting to do so, did knowingly cause an envelope to be delivered by mail according to the directions thereon, that envelope containing an Indeck check, misappropriated by Del Monico, which was made payable to Trinity Industries, Inc., in the amount of approximately \$29,500, dated July 5, 2002, which envelope was addressed to a Post Office box, maintained by LaSalle Bank, in Chicago, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT THREE

Mail Fraud: Indeck

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about February 25, 2003, at Chicago, Illinois, in the Northern District of Illinois, Eastern Division,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme and attempting to do so, did knowingly cause an envelope to be delivered by mail according to the directions thereon, that envelope containing an Indeck check, misappropriated by Del Monico, which was made payable to Norfolk Southern Railway, in the amount of approximately \$41,272, dated February 5, 2003, which envelope was addressed to a Post Office box, maintained by LaSalle Bank, in Chicago, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT FOUR

Interstate Transportation of an Indeck Check

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about August 16, 2002, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO

defendant herein, knowingly caused to be transported in interstate commerce from Wheeling, Illinois to The Lakes, Nevada, a security having a value in excess of \$5,000, namely, a check misappropriated by Del Monico, which was issued by Indeck in Wheeling, in the amount of approximately \$9,995, drawn on Indeck's account at American Enterprise Bank in Buffalo Grove, Illinois, dated August 16, 2002, and made payable to Power Transportation, knowing such security to have been stolen, converted, and taken by fraud;

In violation of Title 18, United States Code, Sections 2314 and 2.

COUNT FIVE

Interstate Transportation of an Indeck Check

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about January 6, 2003, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO

defendant herein, knowingly caused to be transported in interstate commerce from Wheeling, Illinois to Salt Lake City, Utah, a security having a value in excess of \$5,000, namely, a check misappropriated by Del Monico, which was issued by Indeck in Wheeling, in the amount of \$14,943, drawn on Indeck's account at American Enterprise Bank in Buffalo Grove, Illinois, dated August 14, 2002, and made payable to JT Mac Transportation, knowing such security to have been stolen, converted, and taken by fraud;

In violation of Title 18, United States Code, Sections 2314 and 2.

COUNT SIX

Wire Fraud: United States

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraph 1 of Count One of this indictment is realleged and incorporated as though fully set forth herein.

2. Beginning in or about August 2003 and continuing until in or about at least July 2005, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO,

defendant herein, along with others, known and unknown to the grand jury, devised, and intended to devise, and participated in, a scheme and artifice to defraud the United States, the United States Department of Defense, and the United States Air Force, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

3. It was part of the scheme that Del Monico falsely represented to the United States, the Department of Defense, and the Air Force, that he had provided emergency generators to the Department of Defense and the Air Force, when, in fact, Del Monico had not provided any generators. Del Monico fraudulently attempted to obtain payment of approximately \$2.4 million from the United States, based on fraudulent invoices that he submitted to the United States relating to the generators.

4. It was further part of the scheme that Del Monico submitted six invoices to the Defense and Accounting Service, for the rental of 10 generators, falsely representing that the United States had rented 10 generators from May 2003 through October 2004. The invoices totaled approximately \$2.43 million.

5. It was further part of the scheme that Del Monico submitted one invoice to the Eielson Air Force Base, in Eielson, Alaska, for the rental of 5 generators, falsely representing that the Air Force had rented 5 generators from July 2, 2004 through August 1, 2004. The invoice was for \$67,500. The 5 generators identified in this invoice had the same serial numbers and other identifying information as 5 of the generators listed in the invoices submitted to the Defense and Accounting Service for the same time period. According to the invoices, the 5 generators that were purportedly in Alaska, were also purportedly in Virginia at the same time.

6. It was further part of the scheme that Del Monico sent dozens of letters, faxes, and e-mails, and made numerous phone calls to representatives of the United States, falsely representing that the United States had rented generators through his company, and demanding that his company be paid.

7. It was further part of the scheme that Del Monico did not have any written contracts or agreements relating to generators, and falsely represented to various federal employees that he had

entered into an oral agreement with someone from the Department of Defense to provide 10 generators to them, and that he had also entered into an oral agreement with someone from the Air Force to provide 5 generators to them.

8. It was further part of the scheme that Del Monico did misrepresent, conceal, hide, and caused to be misrepresented, concealed, and hidden acts done in furtherance of the scheme and the purposes of those acts.

9. On or about August 6, 2004, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO,
defendant herein, for the purposes of executing the above-described scheme, and attempting to execute the above-described scheme, did knowingly cause to be transmitted in interstate commerce from Alaska to Virginia, by means of wire and radio communications, certain writings, signs, and signals, namely: an e-mail to Del Monico from a Contracting Officer, at Eielson Air Force Base in Alaska to the America On Line ("AOL") server in Reston Virginia, to be sent out to Del Monico's e-mail address, in which the Contracting Officer asked for purchase orders or contract numbers relating to the fraudulent invoices for generators that were submitted to the Air Force by Del Monico.

In violation of Title 18, United States Code, Section 1343.

COUNT SEVEN

Wire Fraud: United States

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count Six of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about August 23, 2004, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme, and attempting to execute the above-described scheme, did knowingly cause to be transmitted in interstate commerce from Alaska to Virginia, by means of wire and radio communications, certain writings, signs, and signals, namely: an e-mail to Del Monico from a Contracting Officer, at Eielson Air Force Base in Alaska to the AOL server in Reston Virginia, to be sent out to Del Monico's e-mail address, in which the Contracting Officer described her unsuccessful efforts to find information about the generators, and asked for additional information relating to the fraudulent invoices submitted by Del Monico.

In violation of Title 18, United States Code, Section 1343.

COUNT EIGHT

Wire Fraud: United States

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count Six of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about December 17, 2004, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme, and attempting to execute the above-described scheme, did knowingly cause to be transmitted in interstate commerce from Alaska to Virginia, by means of wire and radio communications, certain writings, signs, and signals, namely: an e-mail to Del Monico from a Contracting Officer, at Eielson Air Force Base in Alaska to the AOL server in Reston Virginia, to be sent out to Del Monico's e-mail address, in which the Contracting Officer asked for the bill of lading relating to the fraudulent invoices submitted by Del Monico.

In violation of Title 18, United States Code, Section 1343.

COUNT NINE

Mail Fraud: United States

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count Six of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about May 10, 2005, at Palatine, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme and attempting to do so, did knowingly cause an envelope to be placed in an authorized depository for mail matter, to be sent and delivered by the United States Postal Service, according to the directions thereon, which envelope contained a letter from Del Monico providing information relating to the fraudulent invoices for generators that Del Monico submitted to the Department of Defense, and that envelope was addressed to Ms. Austines, at Defense Finance and Accounting Operations, in Columbus, Ohio;

In violation of Title 18, United States Code, Section 1341.

COUNT TEN

Mail Fraud: United States

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count Six of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about May 10, 2005, at Palatine, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme and attempting to do so, did knowingly cause an envelope to be placed in an authorized depository for mail matter, to be sent and delivered by the United States Postal Service, according to the directions thereon, which envelope contained a letter from Del Monico providing information relating to the fraudulent invoices for generators that Del Monico submitted to the Department of Defense, and that envelope was addressed to Ms. Ford, at Defense Finance and Accounting Operations, in Arlington, Virginia;

In violation of Title 18, United States Code, Section 1341.

COUNTS 11 - 15

Mail Fraud: Demar

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraph 1 of Count One of this indictment is realleged and incorporated as though fully set forth herein.

2. Beginning in or about June 2005 and continuing until in or about February 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK DEL MONICO,

defendant herein, along with others, known and unknown to the grand jury, devised, and intended to devise, and participated in, a scheme and artifice to defraud Demar, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

The Scheme

3. It was part of the scheme that Del Monico falsely represented that two companies - Lakewood Engineering ("Lakewood") and Transforce Freight ("Transforce") - had agreed to hire Demar to manage the transportation of freight, which would generate millions of dollars of revenue for Demar. Del Monico created phony documents relating to Lakewood, which he submitted to Demar in order to create the false appearance that Del Monico had generated substantial revenue for Demar. By promising that Lakewood and

Transforce were going to hire Demar within a short period of time, Del Monico was able to obtain payments from Demar of approximately \$1000 a week for approximately 25 weeks, as a draw against future commissions, and to obtain health insurance benefits from Demar. This scheme resulted in a loss to Demar of more than \$40,000.

Lakewood

4. It was further part of the scheme that Del Monico fraudulently obtained funds from Demar by making false representations concerning business that he had generated from Lakewood, and through the following means, among others:

a. Del Monico falsely represented to Demar that Lakewood, which was in the ceiling fan business, had agreed to hire Demar to arrange transportation for containers of products that were being sent from China.

b. Del Monico falsely represented to Demar that he and Lakewood had agreed on prices to be paid to a subcontractor to deliver the containers.

c. In or about November 2005, Del Monico falsely represented to Demar that Lakewood's products had arrived from China and had been transported by a subcontractor selected by Demar.

d. Del Monico fraudulently caused Demar to generate invoices for approximately \$485,798, based on Demar's purportedly having arranged transportation for Lakewood's products. Del Monico

took the invoices and falsely represented that he would hand deliver the invoices to Lakewood.

e. Del Monico caused fraudulent invoices to be prepared relating to services allegedly rendered to Lakewood, when, in fact, no services had been rendered to Lakewood. Del Monico attached fake bills of lading to those fraudulent invoices.

f. In or about February 2006, Del Monico falsely represented to Demar that he had received a check from Lakewood for \$375,000. In fact, Del Monico knew that he had not received payment from Lakewood, because Lakewood had not hired Demar or received any services from Demar or Demar's subcontractor.

Transforce Freight

5. It was further part of the scheme that Del Monico fraudulently obtained funds from Demar by making false representations to Demar concerning business that he had generated from Transforce, and through the following means, among others:

a. Between June 2005 and February 2006, Del Monico repeatedly claimed, falsely, that Transforce, a Canadian transportation company, had agreed to hire Demar, and that the work was about to begin.

b. In or about July 2005, Del Monico falsely represented to Demar that Transforce would send the first goods for delivery at the end of July. No such goods were sent.

c. In or about December 2005, Del Monico said that he

was going to Canada to meet with Transforce, and falsely represented that the Transforce business was to start shortly.

d. In or about February 2006, Del Monico falsely represented to Demar that he needed to go to Canada to oversee the first trailers heading to Illinois from Transforce.

e. In or about February 2006, in order to induce Demar to allow Del Monico to continue working with Demar, Del Monico gave Demar a check in the amount of \$25,000, purportedly to repay a portion of the advance commissions that Del Monico had received. In fact, the bank account on which the check was drawn did not have sufficient funds to cover the check, and the check bounced. Moreover, after Del Monico gave the check to Demar, Del Monico put a stop order on the check.

6. It was further part of the scheme to defraud that Del Monico did misrepresent, conceal, hide, and caused to be misrepresented, concealed, and hidden acts done in furtherance of the scheme and the purposes of those acts.

7. On or about the dates set forth below, each such date constituting a separate count of this indictment, in the Northern District of Illinois, Eastern Division,

PATRICK DEL MONICO,

defendant herein, for the purposes of executing the above-described scheme and attempting to do so, did knowingly cause a package to be delivered by commercial interstate carrier, namely Federal Express,

according to the directions thereon, each package containing checks, including an advance commission check made payable to Del Monico, which checks were prepared by ADP Total Source and sent from Georgia, to Demar, in Woodale, Illinois in 2005, and in Carol Stream, Illinois in 2006;

<u>Count</u>	<u>Date</u>
Count Eleven	12/21/05
Count Twelve	1/4/06
Count Thirteen	1/18/06
Count Fourteen	2/1/06
Count Fifteen	2/15/06

In violation of Title 18, United States Code, Section 1341.

COUNT SIXTEEN

Bankruptcy: Scheme to Defraud

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraph 1 of Count One of this indictment is realleged and incorporated as though fully set forth herein.

2. At times material to this indictment:

a. The United States Bankruptcy Code (Title 11 of the United States Code) existed to assist persons to get a fresh start financially. The bankruptcy laws provided persons with the opportunity to either reorganize and pay their debts while keeping property, or liquidate their assets through a bankruptcy trustee.

b. A bankruptcy case was begun by the filing of a bankruptcy petition in the Bankruptcy Court. A person who files a bankruptcy petition is a "debtor" under federal bankruptcy law. Upon the filing of a bankruptcy petition, a debtor is required by law to fully disclose his interest in all assets. Assets include real or personal property, tangible or intangible property, whether or not the asset is held in the debtor's name or held in the name of another person or entity on behalf of the debtor. The debtor is also required to disclose all liabilities and debts owed to creditors. The assets of the debtor comprise what is called the debtor's "bankruptcy estate." The assets and liabilities of the debtor are disclosed by the debtor in schedules and in a Statement of Financial Affairs, which are signed by the debtor under penalty

of perjury, and filed with the bankruptcy court.

c. The United States Trustee supervised the administration of cases and bankruptcy trustees in cases under Title 11.

d. The filing of a bankruptcy case, through the automatic stay provisions of the bankruptcy code, barred the debtor's creditors from initiating or continuing their collection actions. All collection actions were stayed including any lawsuits against the debtor.

e. Chapter 11 bankruptcy allowed a debtor, including individuals, to reorganize their financial affairs. Chapter 11 debtors pursuant to the Code acted as fiduciaries on behalf of their creditors because it was the debtors' assets that were to be used to repay the debt. Therefore, since the creditors had a stake in the debtor's assets, the Code required the Chapter 11 debtor to make full and complete disclosure of all assets, liabilities and financial transactions prior to and during the bankruptcy case.

f. It was essential to the integrity of the process that debtors tell the truth and provide accurate financial information to the bankruptcy court in the form of the schedules and statement of financial affairs as well as monthly operating reports. The importance of these documents is underscored by the fact that all these documents must be signed by the debtor under penalty of perjury. The goal of a Chapter 11 case is for the

debtor to propose a plan to repay creditors at least a portion of what is owed.

g. There was an incentive for a debtor to hide or conceal assets and income during the process because a dishonest debtor not interested in repaying his creditors very much, if any, money could use the process as a sword to move and hide assets while his creditors were stayed from taking action.

3. Beginning in or about October 2004 and continuing though at least in or about September 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK J. DEL MONICO,
defendant herein, devised and intended to devise a scheme to defraud his creditors and the United States Trustee, which scheme is further described in the following paragraphs.

4. It was part of the scheme that on or about October 14, 2004, pursuant to Title 11 of the Bankruptcy Code, Del Monico and his wife filed a joint voluntary petition seeking Chapter 11 bankruptcy relief in the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, case number 04-38235. In that petition, and amendments, as well as in various schedules, Del Monico made material false representations concerning his assets and his income, and other financial issues. Del Monico also made material false statements concerning financial matters in testimony and statements that Del Monico gave in connection with the

bankruptcy proceeding.

5. It was further part of the scheme that on or about November 17, 2004, Del Monico filed false and fraudulent bankruptcy schedules and signed his schedules, under penalty of perjury, well knowing that answers in his schedules were materially false.

6. It was further part of the scheme that on or about November 17, 2004, Del Monico was required to list in response to Schedule B, Question 12 of his bankruptcy schedules any "Stock and interests in incorporated and unincorporated businesses" and the "current market value" of his interest in said property. Del Monico falsely listed "None," when, in fact, as he well knew, he owned approximately 300 shares of stock in Valspar, among other companies.

7. It was further part of the scheme that on or about November 29, 2004, Del Monico was required to list in response to Question 1 of his Statement of Financial Affairs, requiring defendant to list "the gross amount of income the debtor has received from employment, trade, or profession, or from the operation of the debtor's business from the beginning of the calendar year to the date this case was commenced" and "the gross amounts received during the two years immediately preceding this calendar year", the defendant falsely listed "None." In fact, Del Monico knew that he had received a substantial amount of gross income during those time periods.

8. It was further part of the scheme that on or about November 29, 2004, and on or about December 16, 2004, Del Monico was required to list in response to Question 4(a) of his Statement of Financial Affairs, "all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filing of this bankruptcy case." Del Monico falsely listed just two lawsuits in which he was a defendant, when in fact, as he well knew, he was a plaintiff in a personal injury lawsuit that was pending within one year immediately preceding the filing of his bankruptcy case.

9. It was further part of the scheme that on or about December 16, 2004, Del Monico was required to provide in Schedule I of his bankruptcy schedules the debtors' "Total Combined Monthly Income." Del Monico falsely listed "7,000," when in fact, as he well knew, his income was substantially lower.

10. It was further part of the scheme that in or about January 2005, Del Monico, without the required authority of the Bankruptcy Court, encumbered his residence with a lien as security for obtaining a personal loan for approximately \$100,000. Del Monico then deposited a portion of the loan proceeds, approximately \$40,000, into a bank account for his personal use.

11. It was further part of the scheme that on or about January 12, 2005, in Amended Schedule B, Del Monico falsely represented that he had made a loan of \$55,000 to his company ITC,

when in fact, Del Monico knew that he had not made such a loan to ITC.

12. It was further part of the scheme that on or about January 13, 2005, Del Monico altered and falsified bank account statements, with the intent to impede, obstruct, and influence the investigation and proper administration of his bankruptcy case, in that, in response to a request from the United States Trustee for Del Monico's bank account statements, Del Monico provided the United States Trustee with altered and falsified copies of the bank account statements that omitted relevant and material information sought by the United States Trustee.

13. It was further part of the scheme that on or about February 24, 2005, Del Monico made a material false statement under penalty of perjury in a hearing before the Bankruptcy Court, in that Del Monico falsely stated that he was not aware of a personal injury lawsuit filed on his behalf against a physician, when, in fact, Del Monico knew that he was aware of the lawsuit.

14. It was further part of the scheme that on or about February 24, 2005, Del Monico made a material false statement under penalty of perjury, in a hearing before the Bankruptcy Court, in that Del Monico falsely stated that a January 12, 2005 incoming wire transfer was the result of his factoring of an accounts receivable, when in fact, Del Monico knew that the wire transferred funds were the proceeds of a secured loan to Del Monico.

15. It was further part of the scheme that in or about July 2005, Del Monico made material false statements under penalty of perjury, in Rule 2004 deposition hearings, in that Del Monico made false representations concerning the rental of 10 generators to the Defense Department and 5 generators to the Air Force, which included false representations that the United States owed Del Monico money because he provided generators to the United States, when in fact Del Monico knew that he had not provided those generators.

16. It was further part of the scheme that on or about July 11, 2005, Del Monico made a material false statement under penalty of perjury, in a Rule 2004 deposition hearing. Del Monico falsely stated that he had not used any aliases in the last 20 years, when, in fact, he knew that he had used the alias Charles Anderson, including in a letter that he sent to the Air Force.

11. It was further part of the scheme that, on or about October 14, 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

PATRICK J. DEL MONICO,
defendant herein, for the purpose of executing and concealing the aforesaid scheme to defraud and attempting to do so, filed a petition, under Title 11, case no. 04-38235, *In re Patrick J. Del Monico and Kim H. Del Monico*, in the United States Bankruptcy Court for the Northern District of Illinois;

In violation of Title 18, United States Code, Sections 157(1) and 2.

COUNT SEVENTEEN

Bankruptcy: False Statement Concerning Income

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Sixteen of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about November 29, 2004, at Chicago in the Northern District of Illinois, Eastern Division,

PATRICK J. DEL MONICO,

defendant herein, knowingly and fraudulently made a material false declaration, certificate and verification under penalty of perjury, in and in relation to a case under Chapter 11, Title 11, United States Code, case no. 04-38235, *In re Patrick J. Del Monico and Kim H. Del Monico*, in the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, in that in response to Question 1 of his Statement of Financial Affairs, requiring defendant to list "the gross amount of income the debtor has received from employment, trade, or profession, or from the operation of the debtor's business from the beginning of the calendar year to the date this case was commenced" and "the gross amounts received during the two years immediately preceding this calendar year", the defendant falsely listed "None." In fact, Del Monico knew that he had received a substantial amount of gross income during those time periods;

In violation of Title 18, United States Code, Sections 152(3) and 2.

COUNT EIGHTEEN

Bankruptcy: False Statement Concerning a Lawsuit

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Sixteen of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about December 16, 2004, at Chicago in the Northern District of Illinois, Eastern Division,

PATRICK J. DEL MONICO,

defendant herein, knowingly and fraudulently made a material false declaration, certificate and verification under penalty of perjury, in and in relation to a case under Chapter 11, Title 11, United States Code, case no. 04-38235, *In re Patrick J. Del Monico and Kim H. Del Monico*, in the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, in that in response to Question 4(a) of his Statement of Financial Affairs, requiring defendant to list "all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filing of this bankruptcy case," the defendant falsely listed only two lawsuits in which he was a defendant. In fact, Del Monico knew that he was a plaintiff in a personal injury lawsuit that was pending within one year immediately preceding the filing of his bankruptcy case;

In violation of Title 18, United States Code, Sections 152(3) and 2.

COUNT NINETEEN

Bankruptcy: False Bank Statements

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Sixteen of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about January 13, 2005, at Chicago in the Northern District of Illinois, Eastern Division,

PATRICK J. DEL MONICO,

defendant herein, knowingly and fraudulently made material false statements, with the intent to impede, obstruct, and influence the investigation and proper administration of a case under Chapter 11, Title 11, United States Code, case no. 04-38235, *In re Patrick J. Del Monico and Kim H. Del Monico*, in the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, in that, in response to a request from the United States Trustee for the defendant's bank account statements, the defendant provided the United States Trustee with altered and falsified copies of bank account statements, which omitted relevant and material information sought by the United States Trustee;

In violation of Title 18, United States Code, Sections 1519 and 2.

COUNT TWENTY

Bankruptcy: False Testimony Concerning a Lawsuit

The SPECIAL MARCH 2007 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Sixteen of this indictment are realleged and incorporated as though fully set forth herein.

2. On or about February 24, 2005, at Chicago in the Northern District of Illinois, Eastern Division,

PATRICK J. DEL MONICO,

defendant herein, knowingly and fraudulently made a material false declaration, verification, and statement under penalty of perjury, as permitted under Section 1746 of Title 28, in and in relation to a case under Title 11, United States Code, case no. 04-38235, *In re Patrick J. Del Monico and Kim Del Monico*, in the United States Bankruptcy Court, Northern District of Illinois, Eastern Division, in a hearing before the bankruptcy Court, defendant falsely stated that he was not aware of a personal injury lawsuit filed on his behalf against a physician, when, in fact, Del Monico knew that a personal injury lawsuit had been filed on his behalf against a physician;

In violation of Title 18, United States Code, Section 152(2).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY